DEC 1951

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

25X1A

COUNTRY Czechoslovakia

SUBJECT Drastic Drop of Currency on Black Market Since
Devaluation

PLACE ACQUIRED
(BY SOURCE) 25X1A

DATE ACQUIRED
(BY SOURCE)

DATE (OF INFO.)

DATE DISTR. 5 ___ 1953

NO. OF PAGES 1

NO. OF ENCLS.

SUPP. TO
REPORT NO.

25X1X

THIS IS UNEVALUATED INFORMATION

1.   Before the recent currency reform in Czechoslovakia, the official rate of exchange
     was Czech korunas 50 to US $1. Since the currency reform, the official rate is
     Czech korunas 7.20 to US $1.

2.   On the black market in Prague, the value of the Czechoslovak currency had improved
     from Czech korunas 675 to the US dollar in January 1952 to Czech korunas 400
     to the US dollar in January 1953 and to korunas 350 to the dollar in April 1953,
     the last month before the currency reform. At the end of May 1953, the black
     market in Prague reflected the extent of the revaluation very precisely, and
     one dollar was traded for 50 new korunas.

3.   Lack of popular confidence in Czechoslovakia in the new currency is best demon-
     strated by the fact that its value on the black market dropped 20 per cent during
     the month of June 1953. The extent of the drop may be affected also by the shortage
     of korunas and the increased demand for dollars. At the end of June 1953 (all
     figures quoted refer to the last day of the month), the black market rate of
     exchange in Prague was US $1 to Czech korunas 60. Other Iron Curtain currencies
     showed only minor fluctuations in June 1953.

- end -

	STATE	ARMY	NAVY	AIR	FBI	ORR EV		